

**REMARKS**

This application has been carefully reviewed in light of the Office Action mailed August 24, 2004. Claims 1-18 and 20-24 are pending in the application. Claims 3, 11 and 12 are withdrawn. Claims 1, 15, 17 and 22 have been amended and Claims 5, 6, 19, 23 and 24 have been canceled. Applicants respectfully request reconsideration and favorable action of all pending claims in view of the following remarks.

**Response to Letter to the Examiner/Interview Summary**

Applicants regret the apparent misunderstanding concerning the Letter to the Examiner identified in the Office Action. The letter was sent merely to confirm that Applicants were awaiting an Office Action.

**Claim Objection**

The objection to Claims 22-24 raised in the Office Action has been addressed by amendment of Claim 22. Favorable action is requested.

**Section 112 Rejections**

The Examiner rejects Claim 15 under 35 U.S.C. § 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. To advance the prosecution of this case, Applicants have amended Claim 15. Favorable action is requested.

**Rejections Under 35 U.S.C. § 102 and 103**

Claims 1, 2, 5-7, 17, 18, and 21-24 were rejected under 35 U.S.C. § 102(b) as being anticipated by *Staskus*, *Smith*, *VEB Inducal*, *Clyde*, *Perkins*, and *Gopin et al* and Claims 10, 14, 16, 20 and 21 under 35 U.S.C. § 103(a) as being unpatentable over *VEB Inducal*. Applicants respectfully traverse these rejections for the reasons discussed below.

**“Generally Functional” Limitations**

Applicants note that Page 3 of the Office Action states that certain limitations in Applicants’ claims are “generally functional” and that although Applicants “MAY use functional language in the claims, such language is NOT to be solely relied on for the patentability of apparatus claims.” At the same time, the Office Action rejects the apparatus claims, noting that the language which was identified to be functional was met by disclosures in the cited references. Thus, it is unclear what patentable weight the Examiner is giving the limitation referred to as “generally functional” in the Office Action. To the extent the Examiner contends that the phrase “in a manner selected to achieve a predetermined temperature profile along said passageway in material of said part adjacent to said fluid passageway, in response to fluid flow through said passageway” does not need to be met by the prior art in order to lodge a proper Section 102 or 103 rejection against a claim reciting that limitation, Applicants respectfully request the Examiner to clearly state this contention in the next Office Action. This would simplify issues for appeal. Applicants contend the Examiner must show such a limitation in the prior art as a necessary condition to making a Section 102 and 103 rejection of such a claim.

The Office Action fails to cite any authority suggesting claim language such as this can be ignored for patentability considerations; the two cases the Office Action did cite do not support ignoring this claim limitation for patentability purposes. In contrast, the Federal Circuit explicitly held in *Pac-Tec, Inc. v. Amerace Corporation*, 903 F.2d 8796 (Fed. Cir. 1990) that functional language cannot be disregarded in determining whether a claim defines for over the prior art, including language such as “adapted to”, “whereby,” and “thereby.”

With respect to cases cited in the Office Action, both are cited out of context for the wrong proposition. *In re Danly* explicitly gives patentable weight to limitations such as “for holding,” “for including,” and to limitations such as “means for connecting the ends of the services of tire rods to a source of alternating current potential.” The portion of that case relied on in the Office Action merely refused to hold that the possibility of performing an act by an apparatus could be used in distinguishing the apparatus from the prior art. In particular, the court found that the limitation “such that alternating current may be passed through the tie rod to heat the same” does not require alternating current to be passed through the tire rod. In short, the court refused to imply that a possible function was required; it did not hold that limitations could be ignored, and explicitly held that language referred to as

functional must be given patentable weight (and did so). Clearly, *In re Danly* does not support the position of the Office Action.

The same is true for *Hewlett-Packard Co. v. Bausch & Lomb Inc.*, also cited by the Office Action. In that case, the court held that the limitation “wherein the rough surface . . . has a random pattern, size, and height of rough parts” was sufficient to define over the prior art and that it did not matter whether the use of the claimed structure provided any “operational differences” from the prior art. Again, noting in this case suggests ignoring the patentable weight afforded by the above-cited limitation.

Copies of all of the cases are enclosed for the convenience of the Examiner.

### **Specific Rejections**

As an initial matter, Applicants hereby challenge and do not acquiesce in any of the statements made in the Office Action contending that Applicants’ arguments constitute an admission of certain other assertions. Applicants also hereby challenge each taking of Official Notice taken in the Office Action.

Claim 22 as amended, is allowable at least because none of the cited references teach or suggest “configuring said structure to include a plurality of portions which each induce turbulence, said passageway having first and second sections which are separate and which each include at least two of said portions; selecting locations of said portions along said passageway such that each said portion is longitudinally spaced by a respective longitudinal distance from every other said portion which is adjacent thereto, wherein said longitudinal distances between said portions in said first section of said passageway are greater than said longitudinal distances between said portions in said second section of said passageway; and wherein the longitudinal distance between the first section and the fluid entrance is less than the longitudinal distance between the second section and the fluid entrance.” It is noted that Claim 22 has been amended to incorporate the additional limitation of Claim 24 as well as additional language. The present Office Action rejected Claim 24 only in view of *Staskus* and in view of *Gopin*, but neither shows the above-recited limitation. Among other limitations, *Staskus* fails to show configuring the turbulence inducing portions with the claimed spacing. Indeed, the Office Action does not assert the spacing of previous Claim 24 is met. *Gopin*, also fails to show the claimed spacing. For at least these reasons, Claim 22 is allowable. Favorable action is requested.

Independent Claims 1 and 17 are allowable for analogous reasons, as are the pending claims depending therefrom. Favorable action is requested.

**CONCLUSION**

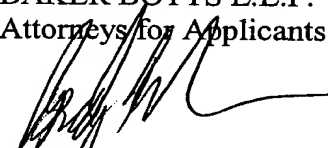
Applicants have now made an earnest attempt to place this case in condition for immediate allowance. For the foregoing reasons and for other apparent reasons, Applicants respectfully request allowance of all pending claims.

If the Examiner feels that prosecution of the present Application may be advanced in any way by a telephone conference, the Examiner is invited to contact the undersigned attorney at 214-953-6447.

Applicants believe no fees are due. However, the Commissioner is hereby authorized to charge any required fees and credit any overpayments to Deposit Account No. 02-0384 of Baker Botts L.L.P.

Respectfully submitted,

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such as patents. There is no good reason to unduly delay the resolution of major issues that will not be resolved in the Massachusetts action. We conclude that the Massachusetts district court exceeded its discretionary authority in enjoining the ASP action in New York. That portion of the court's order is reversed.

### B

Mr. Katz had also filed suit against Batavia Marine & Sporting Supplies, Inc., Gun Center, Inc., and R.S.R. Wholesaler Guns, Inc.<sup>1</sup> in the Western District of New York, asserting infringement of the '400 patent.

[9] Lear Siegler states that Batavia Marine & Sporting Supplies and Gun Centers are customers of Smith & Wesson. Mr. Katz states that these defendants are not simply customers of Smith & Wesson, but dealers in infringing goods of several manufacturers. However, this point was not substantiated, and on the record before us this case fits the "customer suit" exception, whereby litigation against or brought by the manufacturer of infringing goods takes precedence over a suit by the patent owner against customers of the manufacturer. As stated in *Codex*:

At the root of the preference for a manufacturer's declaratory judgment action is the recognition that, in reality, the manufacturer is the true defendant in the customer suit.... it is a simple fact of life that a manufacturer must protect its customers, either as a matter of contract, or good business, or in order to avoid the damaging impact of an adverse ruling against its products.

*Codex*, 553 F.2d at 737-38 (citations omitted).

[10] Mr. Katz points out that neither of the defendants in the Batavia action has agreed to be bound by the result in Massachusetts. See *Kahn v. General Motors, Inc.*, 889 F.2d 1078, 1082, 12 USPQ2d 1997 (Fed.Cir.1989) (considering whether the customer would be bound in declaratory judgment action by manufacturer); *Refac Int'l v. IBM*, 790 F.2d 79, 81, 229 USPQ

712, 713 (Fed.Cir.), *modified on reh'g*, 798 F.2d 459, 230 USPQ 537 (Fed.Cir.1986) (customers agreed to be bound by any injunction issued against manufacturer). However, Lear Siegler/Smith & Wesson have represented to the Massachusetts court that resolution of the major issues before that court, including patent infringement, patent validity, and Mr. Katz' capacity to sue, will resolve these issues as to their customers. The Massachusetts court's injunction against prosecution of the Batavia action, on this basis, was within the court's discretionary authority. Although there may be additional issues involving the defendants in the Batavia action, their prosecution will be advanced if Mr. Katz is successful on the major premises being litigated in Massachusetts, and may well be mooted if he is unsuccessful.

We affirm the district court's action enjoining continuation of the Batavia action pending resolution of the Massachusetts suit.

### III

Each party shall bear its costs.

**AFFIRMED IN PART, REVERSED IN PART.**



**HEWLETT-PACKARD COMPANY,**  
Plaintiff/Cross-Appellant,

v.

**BAUSCH & LOMB INCORPORATED,**  
Defendant/Appellant.

Nos. 90-1016, 90-1017.

United States Court of Appeals,  
Federal Circuit.

July 30, 1990.

Patent infringement suit was brought. The United States District Court for the dismissed from the action upon taking a license.

1. We are told that R.S.R. Wholesaler Guns was

Northern District of California, Robert P. Aguilar, J., 722 F.Supp. 595, held that patent was valid and infringed prior to defendant's sale of business, but held that defendant had not actively induced infringement of patent subsequent to sale of business. Appeal and cross appeal were taken. The Court of Appeals, Rich, Circuit Judge, held that: (1) patent relating to X-Y plotters used to create a two-dimensional plot, such as a chart or graph, on a sheet of paper was not invalid for obviousness; (2) proof of actual intent to cause the acts which constitute the infringement is a necessary prerequisite to finding active inducement; and (3) proof of such intent was missing in connection with sale of business, despite clause providing for indemnification of buyer by seller against liability for infringing the patent at issue.

Affirmed.

#### 1. Patents ⇨36(2), 112.1

Claims of patent were entitled to presumption of validity, and infringer faced burden of showing, by clear and convincing evidence, the invalidity of the claims, and that burden was especially difficult when the prior art was before the Patent and Trademark Office (PTO) examiner during prosecution of the application.

#### 2. Patents ⇨16.17

Patent relating to X-Y plotters used to create a two-dimensional plot, such as a chart or graph, on a sheet of paper was not invalid for obviousness. 35 U.S.C.A. § 103.

#### 3. Patents ⇨16(2), 165(1)

Apparatus claim covers what a device is, and not what the device does, and thus party asserting validity of claim need not show "operational differences" of the claimed device over prior art; invention need not operate differently than prior art to be patentable, but need only be unobviously different. 35 U.S.C.A. § 103.

#### 4. Patents ⇨259(1)

Proof of actual intent to cause the acts which constitute the infringement is a necessary prerequisite to finding active induce-

ment of patent infringement. 35 U.S.C.A. § 271(b).

#### 5. Patents ⇨259(1)

Seller of business was not shown to have intent necessary to finding of active inducement of patent infringement by buyer, though sale included specific plans for making infringing apparatus, grant of license under prior art patent, and clause whereby seller would indemnify buyer against liability for infringing patent at issue, where seller was merely interested in divesting itself of the business as the highest possible price and had no interest in what buyer did with it, and the patent license agreement did not purport to give buyer the right to make, use or sell the infringing apparatus but merely freed buyer from whatever bar the prior patent would have been to such activity. 35 U.S.C.A. § 271(b).

Jonathan A. Marshall, Pennie & Edmonds, New York City, argued, for plaintiff/cross-appellant. Of counsel, were Brian D. Coggio, Jon R. Stark, Steven I. Wallach and John J. Normile, Pennie & Edmonds, and William H. MacAllister, Hewlett-Packard Co., Boise, Idaho.

Laurence H. Pretty, Pretty, Schroeder, Brueggemann & Clark, Los Angeles, Cal., argued, for defendant/appellant. With him on the brief, were Mary Ann Tucker, and Bernard D. Bogdon, of Bausch & Lomb Inc., Rochester, N.Y. Of counsel, were Gary A. Clark and John T. Wiedemann, Pretty, Schroeder, Brueggemann & Clark, Los Angeles, Cal.

Before RICH and NEWMAN, Circuit Judges, and COWEN, Senior Circuit Judge.

RICH, Circuit Judge.

Bausch & Lomb Incorporated (B & L) appeals from the September 13, 1989 Judgment of the United States District Court for the Northern District of California, holding U.S. Pat. No. 4,384,298 (LaBarre) valid and infringed by B & L. *Hewlett-Packard Co. v. Bausch & Lomb Inc.*, 722 F.Supp. 595, 13 USPQ2d 1105 (N.D.Cal.

1989). Hewlett-Packard Company (HP) cross-appeals from that portion of the Judgment holding that B & L had not actively induced infringement of the LaBarre patent subsequent to September of 1985. We affirm.

### BACKGROUND

Two patents are discussed extensively throughout this opinion. The first is the patent in suit, LaBarre, which is assigned to HP. The second is U.S. Pat. No. Re 31,684 (Yeiser), which is assigned to B & L and which is the sole piece of prior art argued by B & L to invalidate the LaBarre patent. Both patents relate to X-Y plotters used to create a two-dimensional plot, such as a chart or a graph, on a sheet of paper. Such plotters can be broadly divided into two categories: one in which the paper is held stationary and a pen is attached to a gantry movable in one direction (the Y-direction) and a carriage movable in a second, orthogonal direction (the X-direction); and another in which the paper is moved in the Y-direction, while the pen is attached to a carriage movable in the X-direction. Both LaBarre and Yeiser relate to this second type of plotter, and both show that the movement of the paper in the Y-direction can be effectuated by one or more pairs of pinch rollers between which the paper is placed.

In order to draw accurate plots, it is critical in devices like those disclosed in Yeiser and LaBarre that the paper be moved back and forth without slippage between the paper and the pinch rollers. With this in mind, Yeiser teaches that at least one of the pinch wheels should have a surface with a high coefficient of friction formed "by knurling or by a layer of rubber or the like." LaBarre, on the other hand, teaches that an efficient way to effectively eliminate slippage between the rollers and the paper is to simply cover one of the pinch wheels with silicon carbide grit.<sup>1</sup> The grit not only increases the friction between the pinch wheels and the pa-

per, but also causes small indentations to be formed in the paper. These indentations repeatedly mate with the grit as the paper is moved back and forth in the Y-direction, thus further inhibiting slippage between the pinch wheels and the paper. Due to this mating effect between the grit and the indentations in the paper, HP urges that the LaBarre printer should be considered to be a "positive drive" plotter, wherein the paper is drawn along using "teeth" (i.e., the grit) which engage in "holes" (i.e., the indentations) in the paper, as opposed to a "friction drive" plotter, wherein the moving force on the paper is caused simply by the friction between the wheels and the paper.

Claims 1 and 3 of the LaBarre patent are asserted against B & L, but only claim 1 is relevant to this opinion. It reads as follows:

1. An X-Y plotter system for forming images on a web comprising:

first means being coupled to at least one edge of said web for imparting motion thereto to provide a first degree of motion during plotting onto said web in response to a first applied signal;

second means for forming selected visual images on said web and being movable to provide a second degree of motion in response to a second applied signal; and

third means responsive to a third applied signal for imparting motion to said second means;

said first means including first drive means having at least one powered drive wheel contacting the web, and an idle wheel opposite to each of said drive wheels to form a pinch roller assembly with the web between the drive and idler wheels, one of said at least one drive and idler wheels having a rough surface, and said drive and idler wheels additionally being spring biased together to cause the rough surface to make a series of indentations along the driven edge of the web to minimize slippage with these indenta-

gluing common sandpaper (i.e., grit attached to a paper backing) to the wheel.

1. The grit is attached to the pinch wheel either directly by applying epoxy to the wheel and embedding the grit in the epoxy or indirectly by



tions repeatedly mating with the rough surface of the drive wheel as the web is driven back and forth, wherein the rough surface on one of said at least one powered drive and idler wheels of the first drive means has a random pattern, size, and height of rough spots.

Claim 1 of LaBarre was specifically allowed by the Patent and Trademark Office (PTO) over the Yeiser patent. In particular, Yeiser was brought to the PTO examiner's attention by HP after the LaBarre application had been filed. A telephone interview was subsequently held between the examiner and HP's attorney during which the Yeiser patent was discussed. As a result of this discussion, the last phrase of claim 1, "wherein the rough surface . . . has a random pattern, size, and height of rough spots," was added by amendment. Claim 1 was subsequently allowed.

B & L, through a division called Houston Instruments, began selling plotters having grit-covered pinch wheels ("grit wheel plotters") sometime in late 1982 or early 1983. However, in September of 1985, B & L entered into a "PURCHASE AGREEMENT" with Ametek, Inc. (Ametek) pursuant to which B & L sold the Houston Instruments division (including all "assets, properties, rights and business") to Ametek for a total purchase price of \$43,000,000. Concurrent with execution of the PURCHASE AGREEMENT, B & L and Ametek also entered into an "AGREEMENT WITH RESPECT TO PATENTS," in which the parties agreed that, among other things, (1) B & L would grant Ametek a license under the Yeiser patent; (2) B & L would indemnify Ametek against liability for infringing the LaBarre patent up to a cap of \$4.6 million; (3) B & L and Ametek would jointly work toward developing a plotter which would not infringe the LaBarre patent; and (4) Ametek would comply with a so-called "gag order;" (i.e., would not communicate with HP concerning the LaBarre patent).

HP brought the present suit against B & L in May of 1986, accusing B & L of direct infringement of the LaBarre patent for the time period prior to the sale of Houston

Instruments to Ametek, and of active inducement of infringement under 35 U.S.C. § 271(b) for the period subsequent to the sale of Houston Instruments. As to the charge of direct infringement, B & L admitted infringement, but defended on the grounds that, among other things, the asserted claims of LaBarre were invalid for obviousness under 35 U.S.C. § 103 in view of the Yeiser patent. In particular, B & L argued that the knurled wheel taught by Yeiser would inherently create indentations which would mate with the rough surface of the knurled wheel, as required by the claims of LaBarre. As to the charge of inducing infringement, B & L denied that its activities surrounding the sale of Houston Instruments to Ametek in September of 1985 constituted active inducement of infringement.

The district court, in an extensive Findings of Fact, Conclusions of Law and Order Thereon, found claim 1 of LaBarre would not have been obvious in view of Yeiser and that B & L was liable for infringement prior to the sale of Houston Instruments in September of 1985. However, the district court further found that B & L did not actively induce infringement of the LaBarre patent by Ametek under 35 U.S.C. § 271(b), and so found no liability subsequent to the 1985 sale. These appeals followed.

## OPINION

### A. Obviousness—35 U.S.C. § 103

[1] First of all, we note that the claims of LaBarre are entitled to a presumption of validity, and that B & L faces the burden of showing, by clear and convincing evidence, the invalidity of the claims. *American Hoist & Derrick Co. v. Sowa & Sons, Inc.*, 725 F.2d 1350, 1359, 220 USPQ 763, 770 (Fed. Cir.), *cert. denied*, 469 U.S. 821, 105 S.Ct. 95, 83 L.Ed.2d 41 (1984). This burden is especially difficult when the prior art was before the PTO examiner during prosecution of the application. *Id.*

[2] The district court found three differences between the device of LaBarre claim 1 and the Yeiser device: one, the

application of a spring bias at a force sufficient to cause indentations; two, the creation of a "positive drive" system as opposed to a "friction drive" system; and three, the use of a random pattern of rough spots to create the indentations. We, however, feel that it is only necessary to focus on the third limitation and that this limitation is sufficient to render claim 1 unobvious in view of Yeiser.

The critical language is the last clause of claim 1: "wherein the rough surface ... has a random pattern, size, and height of rough spots." B & L agrees that the use of grit provides great advantages over a knurled wheel. In particular, grit is much harder and sharper than the points of a knurled wheel, and so is especially effective in creating indentations in the paper. However, B & L maintains that claim 1 does not specifically recite "grit," that it is improper to read the limitation of "grit" into the claims, and that therefore whatever unobvious advantages may be realized by the use of grit are irrelevant. Since, argues B & L, the use of a "random pattern, size and height of rough spots" on the wheel does not provide any "operational difference" over a knurled wheel, this limitation in claim 1 does not render claim 1 unobvious over Yeiser.

We find this argument without merit. The above-quoted language from claim 1 is a reasonable description of what "grit" is, and certainly encompasses "grit" while excluding other possible surfaces for the pinch rollers, including a knurled surface. For that reason, whatever superior and unexpected properties grit may have and whatever commercial success and other secondary considerations HP can show through the sale of grit wheel plotters, are certainly relevant and commensurate with the scope of the claim.

[3] Secondly and more importantly, there is no requirement, as B & L implies,

2. Or perhaps more accurately, be *unobviously* different.
3. 35 U.S.C. § 271(c) provides that:
  - (c) Whoever sells a component of a patented machine, manufacture, combination or com-

position, or a material or apparatus for use in practicing a patented process, constituting a material part of the invention, knowing the same to be especially made or especially adapted for use in an infringement of such patent, and not a staple article or commodity that HP show "operational differences" of the claimed device over the prior art. Claim 1 of LaBarre is an apparatus claim, and apparatus claims cover what a device *is*, not what a device *does*. An invention need not *operate* differently than the prior art to be patentable, but need only *be* different.<sup>2</sup> See, e.g., *Demaco Corp. v. F. Von Langsdorff Licensing Ltd.*, 851 F.2d 1387, 1390-91, 7 USPQ2d 1222, 1224-25 (Fed. Cir.), *cert. denied*, 488 U.S. 956, 109 S.Ct. 395, 102 L.Ed.2d 383 (1988); *Panduit Corp. v. Dennison Mfg. Co.*, 774 F.2d 1082, 1098, 227 USPQ 337, 348 (Fed.Cir.1985), *vacated*, 475 U.S. 809, 106 S.Ct. 1578, 89 L.Ed.2d 817 (1986), *on remand*, 810 F.2d 1561, 1 USPQ2d 1593 (Fed.Cir.), *cert. denied*, 481 U.S. 1052, 107 S.Ct. 2187, 95 L.Ed.2d 843 (1987). In the present case, the language "random pattern, size, and height of rough spots" is certainly *different* than the surface of a knurled wheel. Therefore, the sole issue is whether it would have been obvious, to one of ordinary skill in the art, to replace the knurled wheel of Yeiser with a wheel having a random pattern, size and shape of rough spots. By focussing its argument on the alleged lack of "operational differences" between the device of the claim language and the prior art, B & L has utterly failed to point out any evidence, much less clear and convincing evidence, of *why* one skilled in the art would replace the knurled wheel of Yeiser with one having a random pattern, size and shape of rough spots.

#### B. Active Inducement—35 U.S.C. § 271(b)

Section 271(b) provides that "Whoever actively induces infringement of a patent shall be liable as an infringer." At the outset, we feel that it is necessary to make clear the distinction, often confused, between active inducement of infringement under § 271(b) and contributory infringement under § 271(c).<sup>3</sup> Prior to the enact-

position, or a material or apparatus for use in practicing a patented process, constituting a material part of the invention, knowing the same to be especially made or especially adapted for use in an infringement of such patent, and not a staple article or commodity

ment of the Patent Act of 1952, there was no statute which defined what constituted infringement. However, infringement was judicially divided into two categories: "direct infringement," which was the unauthorized making, using or selling of the patented invention, and "contributory infringement," which was any other activity where, although not technically making, using or selling, the defendant displayed sufficient culpability to be held liable as an infringer. *See, e.g., Henry v. A.B. Dick Co.*, 224 U.S. 1, 33-34, 32 S.Ct. 364, 373, 56 L.Ed. 645 (1912); *Thomson-Houston Elec. Co. v. Ohio Brass Co.*, 80 F. 712, 721 (6th Cir. 1897). Such liability was under a theory of joint tortfeasance, wherein one who intentionally caused, or aided and abetted, the commission of a tort by another was jointly and severally liable with the primary tortfeasor. *Thomson-Houston*, 80 F. at 721; *Tubular Rivet & Stud Co. v. O'Brien*, 93 F. 200, 202-05 (C.C.D.Mass.1898).

The most common pre-1952 contributory infringement cases dealt with the situation where a seller would sell a component which was not itself technically covered by the claims of a product or process patent but which had no other use except with the claimed product or process. In such cases, although a plaintiff was required to show intent to cause infringement in order to establish contributory infringement, many courts held that such intent could be presumed because the component had no substantial non-infringing use. *See Henry v. A.B. Dick*, 224 U.S. at 48, 32 S.Ct. at 379.

The legislative history of the Patent Act of 1952 indicates that no substantive change in the scope of what constituted "contributory infringement" was intended by the enactment of § 271. *See* S.Rep. No. 1979, 82d Cong., 2d Sess. 8, 28 (1952), U.S. Code Cong. & Admin. News 1952, p. 2394; *Aro Mfg. Co. v. Convertible Top Replace-*

of commerce suitable for substantial noninfringing use, shall be liable as a contributory infringer.

4. Although not clear on the face of the statute, subsequent case law held that § 271(c) required not only knowledge that the component was especially made or adapted for a particular use

*ment Co.*, 377 U.S. 476, 485-86, 84 S.Ct. 1526, 1531-32, 12 L.Ed.2d 457 (1964) ("*Aro II*"). However, the single concept of "contributory infringement" was divided between §§ 271(b) and 271(c) into "active inducement" (a type of direct infringement) and "contributory infringement," respectively. Section 271(c) codified the prohibition against the common type of contributory infringement referred to above, and made clear that only proof of a defendant's *knowledge*, not *intent*, that his activity cause infringement was necessary to establish contributory infringement.<sup>4</sup> Section 271(b) codified the prohibition against all other types of activity which, prior to 1952, had constituted "contributory infringement."

[4, 5] That, however, leaves open the question of what level of knowledge or intent is required to find active inducement under § 271(b). On its face, § 271(b) is much broader than § 271(c) and certainly does not speak of any intent requirement to prove active inducement. However, in view of the very definition of "active inducement" in pre-1952 case law and the fact that § 271(b) was intended as merely a codification of pre-1952 law, we are of the opinion that proof of actual intent to cause the acts which constitute the infringement is a necessary prerequisite to finding active inducement.<sup>5</sup> And it is proof of that intent which is missing in the present case.

Looking at the totality of events surrounding the sale of Houston Instruments, it is clear that B & L was merely interested in divesting itself of Houston Instruments at the highest possible price. B & L had no interest in what Ametek did with Houston Instruments and certainly did not care one way or the other whether Houston Instruments, under Ametek's ownership, continued to make grit wheel plotters. HP attempts to make much of the fact that part

but also knowledge of the patent which proscribed that use. *See Aro II*, 377 U.S. at 488, 84 S.Ct. at 1533.

5. *See Water Technologies v. Calco, Ltd.*, 850 F.2d 660, 668, 7 USPQ2d 1097, 1103 (Fed.Cir.1988), holding such intent is necessary and that it may be shown by circumstantial evidence.

of the sale of Houston Instruments included the sale of specific plans for making grit wheel plotters as well as key personnel knowledgeable in this area. However, this is simply a result of the fact that Houston Instruments was sold "lock, stock and barrel" (i.e. with all "assets, properties, rights and business" included).<sup>6</sup> B & L had no interest in nor control over what Ametek chose to do with the plans or the personnel. In this regard, it should also be kept in mind that grit wheel plotters constituted only a portion of Houston Instruments' sales. The PURCHASE AGREEMENT between B & L and Ametek indicates that Houston Instruments was also in the business of developing, manufacturing and selling analog and digital recorders, digitizers, computer-assisted drafting equipment, and other products.

We do not find any of the remaining details of the agreement between B & L and Ametek to be sufficiently probative of intent to induce infringement. The grant of a license from B & L to Ametek under the Yeiser patent is not probative of any intent to induce infringement. The license agreement between B & L and Ametek did not purport to give Ametek the right to make, use and sell X-Y plotters; it merely freed Ametek from whatever bar the Yeiser patent would have been to such activity. Both parties clearly knew, as evidenced by their discussion of the LaBarre patent in the AGREEMENT WITH RESPECT TO PATENTS, that other patents could still be a bar to making, using and selling X-Y plotters. The agreement between B & L and Ametek to work together to find a way to avoid infringement of the LaBarre patent establishes, if anything, an intent by B & L *not* to induce infringement by helping Ametek to develop a plotter which would not infringe.

The most troubling aspect of the agreement between B & L and Ametek is the indemnification clause. Cases have held that an indemnification agreement will generally not establish an intent to induce infringement, but that such intent can be inferred when the primary purpose is to

overcome the deterrent effect that the patent laws have on would-be infringers. See Miller, "Some Views on the Law of Patent Infringement by Inducement," 53 J.Pat. Off.Soc'y 86, 150-51 (1971), and the cases cited therein. While overcoming the deterrent of the patent laws *might* have been the ultimate effect of the indemnification agreement in the present case, we cannot say that that was its purpose. We are once again led back to our conclusion that what B & L really wanted out of this agreement was the sale of Houston Instruments at the greatest possible price. Therefore B & L agreed that, if Ametek should wish to continue the manufacture and sale of grit-wheel plotters, B & L would bear the risk of those plotters ultimately being found to infringe the LaBarre patent. The indemnification agreement certainly facilitated the sale of Houston Instruments at the particular price at which it was sold, but we cannot agree that B & L used it to induce infringement by Ametek.

#### CONCLUSION

The district court's decision holding the LaBarre patent valid and holding B & L not liable for the period subsequent to the sale of Houston Instruments is *affirmed*.

**AFFIRMED.**



**Gilbert L. MARCUS,**  
**Plaintiff-Appellant,**

**v.**

**The UNITED STATES,**  
**Defendant-Appellee.**

**No. 90-5049.**

United States Court of Appeals,  
Federal Circuit.

July 30, 1990.

Claimant sought social security disability benefits. The Claims Court, Eric G.

would retain most of the employees, especially the technical personnel.

6. Although the employees of Houston Instruments were technically not "sold" with the business, it is completely reasonable that Ametek

46 CCPA

**Application of James C. DANLY.  
Patent Appeal No. 6411.**

United States Court of Customs  
and Patent Appeals.  
Feb. 11, 1959.

Proceeding on application for a patent on a power press tie rod heating system. The Board of Appeals of the United States Patent Office, Serial No. 224,228, affirmed rejection of the primary examiner of the claims of inventor's application, and he appealed. The United States Court of Customs and Patent Appeals, Worley, Acting Chief Judge, held that claims 3 to 9 of the application drawn to an apparatus and method for heating tie rods of a power press by passing alternating current through them were not anticipated, and should have been allowed.

Decision of Board of Appeals modified in accordance with opinion.

**1. Patents  $\S$ 66(1.7)**

Claims 3 through 9 of an application for a patent on a power press tie rod heating system, drawn to an apparatus and method for heating the tie rods by passing alternating current through them were not anticipated, and should have been allowed.

**2. Patents  $\S$ 101(2)**

Where a patent application on an apparatus and method for heating tie rods of a power press by passing alternating current through them did not positively recite a source of alternating current as an element of the claims, but employed such expressions as "means for connecting the ends of the series-connected tie rods to a source of alternating current potential", under such circumstances, claims should be construed as being limited to an apparatus in which alternating current is actually applied to the tie rods, and allowance of such claims would be based on such interpretation.

**3. Patents  $\S$ 101(8)**

Patent claims drawn to an apparatus must distinguish from the prior art in terms of structure rather than function.

**4. Patents  $\S$ 66(1.7)**

Claims 1 and 2 of a patent on a power press tie rod heating system failed to define a patentable distinction over patents on which they stood rejected, and were properly rejected for that reason.

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Henry L. Shenier, New York City  
(Francis M. O'Connor, New York City,  
of counsel), for appellant.

Clarence W. Moore, Washington, D. C.  
(D. Kreider, Washington, D. C., of counsel),  
for Commissioner of Patents.

Before WORLEY, Acting Chief Judge,  
and RICH, MARTIN and JOHNSON,  
retired, Judges.

WORLEY, Acting Chief Judge.

This is an appeal from the Board of Appeals of the United States Patent Office affirming the rejection by the Primary Examiner of claims 1 to 9, inclusive, the only claims of appellant's application, No. 224,228, for a patent on a power press tie rod heating system.

Claims 1, 7, and 9 are representative and read:

"1. A power press tie rod heating system, including in combination a press frame, a tie rod for holding the press frame in assembled position, one end of the tie rod being formed with screw threads, a nut positioned about the screw threads, insulating means positioned between the nut and the press frame insulating the tie rod and nut from the frame, means secured to the other end of the tie rod bearing against the press frame, insulating means positioned between said last named means and the press frame, electrical connecting means secured to the nut end of the tie rod, and electrical connecting means secured to the other end of the tie rod, means

for insulating the tie rod from the press frame intermediate its ends, the construction being such that alternating electric current may be passed through the tie rod to heat the same.

"7. A power press tie rod heating system, including in combination a press frame, four tie rods for holding the press frame in assembled position, nuts secured to the upper ends of the tie rods, nuts secured to the lower ends of the tie rods, means for insulating the nuts from the press frame, means for insulating the tie rods from the press frame, a bus bar for connecting the upper ends of a pair of adjacent tie rods to each other, a second bus bar parallel to the first bus bar for connecting the other pair of upper ends of tie rods to each other, a third bus bar disposed substantially at right angles to the first two bus bars for connecting the lower ends of a pair of adjacent tie rods to each other, and means for connecting the lower ends of the other two tie rods to a source of alternating current potential.

"9. A method of heating tie rods of a power press including the steps of insulating the tie rods from the press frame, connecting the insulated tie rods in series and then passing a low voltage, high density alternating current through the series-connected tie rods to heat and expand the same."

The references relied on are:

Sherman, 1,251,430, December 25, 1917; Macdonald, 1,321,530, November 11, 1919; Rode et al., 1,960,166, May 22, 1934; Wackerle, 2,241,283, May 6, 1941; Renier, 2,448,277, August 31, 1948.

Appellant's application relates to the tie rods of power presses. Such rods conventionally pass through openings in the upper and lower heads of the press and are threaded to receive nuts which bear against the heads and may be tightened to place the rods in tension. Appellant's specification states that in some

presses it is not possible to obtain the desired degree of tension by merely tightening the nuts and that "In the prior art this tension is uniformly obtained by heating the rods, permitting them to expand, and then tightening the nuts while the tie rods are in lengthened condition due to the expansion following the heating. Then, when the tie rods cool, they shrink to give the desired tension."

It appears to have been the practice prior to appellant's invention to heat the tie rods by the local application of heat by such means as acetylene torches or electrical resistance units embedded in the ends of the tie rods. Such methods, however, were objectionable in that they resulted in unequal heating which led to erratic and unsatisfactory results and also in that they required an excessive amount of time since it was necessary for the heat to be conducted from the points at which it was applied to the other portions of the rods.

Appellant's improvement over the prior art practice resides in heating the tie rods electrically by insulating them from the press frame, connecting them in series and passing an alternating electric current through them to heat them to the desired temperature. The rods are insulated from the frame by bushings surrounding their threaded ends and washers underlying the nuts, such bushings and washers being made of a resin or similar insulating material. Due to the fact that alternating current is used, the current penetration into the interior of the rods is limited and the additional factors of hysteresis and eddy currents contribute to the production of heat.

The Sherman patent was cited to show the heating of tie rods in a press enabling them to be shrunk into place when the press is assembled.

The Macdonald and Wackerle patents disclose heating an elongated metal article by passing an alternating electric current through it in a longitudinal direction. In the former patent, the article is a hollow tube and in the latter a wire.

The Rode et al. patent, the basic reference relied on by the examiner and the

board, shows a power press having tie rods passing through openings in their heads and having threaded end portions onto which are threaded nuts which bear washers which, in turn, bear on the heads and thus place the rods in tension. It is stated in the patent that the press may become locked at its bottom position and, in order to relieve such condition means are provided for heating and thus lengthening the tie rods. As illustrated, the heating is done by a steam jacket surrounding each rod, but the patentees explain that the heating may be done "either electrically or otherwise."

The patent to Renier shows a press having tie rods electrically insulated from the heads by means of collars which surround the threaded portions of the rods and which have flanges underlying the nuts, constituting, in effect, insulating washers.

All the appealed claims were rejected on Rode et al. on the ground that it would be obvious in view of Macdonald or Wackerle to heat the tie rods of Rode et al. by passing an alternating current through them. Renier was relied on as showing how the rods could be insulated from the frame of the press.

It is stated in appellant's application that the passage of alternating current through the tie rods provides a more rapid and uniform heating than is obtainable by such localized heating means as acetylene torches and electrical resistance elements embedded in the rods. That assertion does not appear to have been controverted by the Patent Office tribunals. The basis of the rejection is succinctly stated in the following portion of the board's decision:

"Having the suggestion that tie rods of a press may be heated electrically, any well known electrical heating means or method which is adaptable for this purpose may be used without invention. It is not considered that electrical heating of an elongated string by Wackerle or elongated pipe by Macdonald is non-analogous to electrical heating of

elongated tie rods of the Rode et al. patent."

The board was of the opinion that, given the idea of heating the tie rods by passing electric current through them, the particular arrangement of conductors and insulating elements set forth in the appealed claims would be obvious. Appellant does not dispute that proposition, but urges that the broad idea of applying alternating current directly to the rods instead of heating them by electrical resistance units, as had formerly been the practice, involved an inventive concept.

We agree with the board that the prior art disclosure that the tie rods may be heated electrically amounts to a suggestion of using any known method of electrical heating which appeared to be adaptable to the situation. However, as indicated in appellant's application, tie rods are made of solid metal and may vary from about two to twelve inches in diameter. We are inclined to agree with appellant that there is nothing in the prior art of record which would suggest that it was practicable to heat an article of that character by passing an electric current through it. On the contrary, it would appear that, because of the large diameter and correspondingly low electrical resistance of the rods, as compared with the conductors usually employed in electrical resistance heating, a prohibitively large current would be necessary. Neither Wackerle nor Macdonald discloses the heating of an article comparable to a tie rod, the former showing a string for a musical instrument, and the latter a drawn tube of comparatively thin metal. Those articles would clearly have a much higher electrical resistance than the tie rods here, and could apparently be sufficiently heated by the passage of either alternating or direct current, since neither patent makes any point of the type of current used.

In our opinion it seems reasonable to assume that any one desiring to adopt Rode's suggestion of heating the rods electrically would naturally look first to



the methods formerly employed for heating such rods by electricity and would find, as above indicated, that resistance units embedded in the rods had been employed for that purpose. It would be natural to suppose, therefore, that it was such units which Rode had in mind when he referred to heating the rods "electrically or otherwise." We find nothing in Rode which suggests any particular method of electrical heating other than those previously used. His actual invention, as described and claimed, relates to heating by means of a fluid medium such as steam, and does not appear to invite any exploration of new methods of electrical heating.

Appellant is able to heat his tie rods by passing alternating current through them, by reason of a phenomenon known as "skin effect" which occurs when such current is passed through a conductor of large diameter. In such a case, due to the production of eddy currents in the interior of the conductor, the current is largely concentrated adjacent the periphery, so that the effective conducting area is greatly reduced and it is possible to obtain substantial heating with a much smaller amperage than would be necessary if direct current were used and the entire cross sectional area conducted current substantially uniformly.

[1] It is true, as pointed out in the brief for the Commissioner, that "skin effect" was well known in the art long prior to the filing of appellant's application, but, so far as the art of record shows, no one prior to appellant had conceived the idea of utilizing that phenomenon to obtain the desired heating of a metal article of a cross-section too large to permit effective heating by direct current. Based on our evaluation of the art available at that time, there is substantial doubt in our mind that the application of that idea to the heating of the tie rods of a press by passing alternating current through them would have been obvious in view of anything shown by the patents relied on. In our opinion, therefore, claims 3 to 9, inclusive, which are drawn to an apparatus and method

for heating tie rods in that manner should have been allowed.

[2] It is noted that claims 3 through 7 do not positively recite a source of alternating current as an element of the claims, but employ such expressions as "means for connecting the ends of the series-connected tie rods to a source of alternating current potential." While it may be literally true that any piece of wire could be used to perform that function, we are of the opinion that the quoted expression, taken in context, limits the claims to a construction in which a connection with a source of alternating current is actually made, since any other interpretation would render the quoted expression virtually meaningless. Appellant has used such phrases as "for holding" and "for insulating" throughout the appealed claims with the obvious intention of limiting them to actual performance of the stated functions, as distinguished from mere possibility of such performance, and no objection to such use has been made by the Patent Office tribunals, nor has any rejection of the appealed claims been based on indefiniteness or inferential recitation. Under such circumstances, we think claims 3 through 7 should be construed as being limited to an apparatus in which alternating current is actually applied to the tie rods, and our allowance of those claims is based on that interpretation.

Claims 1 and 2 are not limited to the actual use of alternating current. Those claims call for a press structure in which the tie rods are insulated from the frame and in which the construction is "such that alternating current may be passed through the tie rod to heat the same." It is evident that the quoted expression does not constitute a structural limitation, since an alternating current *may* be passed through any tie rod which is insulated from the press frame. It is old, as shown by the Renier patent, to insulate the tie rods from the frame, and accordingly, the construction shown in that patent is such that an alternating current could be passed through the tie



rods by merely connecting them with a source of such current.

[3, 4] In view of the references of record, appellant's invention does not reside in a press in which it is *possible* to pass alternating current through the tie rods to heat them, but in a method and apparatus in which that is actually done. Claims drawn to an apparatus must distinguish from the prior art in terms of structure rather than function. In re Statmann, 146 F.2d 290, 32 CCPA 813;

In re Field, 255 F.2d 45 CCPA 940. It follows that claims 1 and 2 fail to define a patentable distinction over the patents on which they stand rejected, and were properly rejected for that reason.

The decision of the Board of Appeals is modified, being affirmed as to claims 1 and 2, and reversed as to claims 3 to 9, inclusive.

Modified.

because "one may not profit from his own fraud"); *see also Westinghouse Elec. & Mfg. Co. v. Formica Insulation Co.*, 266 U.S. 342, 352-53, 45 S.Ct. 117, 120-21, 69 L.Ed. 316 (1924) (timing of assignment may affect scope of resulting estoppel). This is not such a case. Of the events involved in the four allegations made here, only the statement in the appeal brief occurred after Luniewski signed the declarations and, as above indicated, that allegation of inequitable conduct has no basis in law.

### CONCLUSION

The district court's grant of summary judgment holding the '005 and '192 patents not invalid, enforceable, and infringed, and enjoining appellants from further infringement, is affirmed.

**AFFIRMED.**



**PAC-TEC, INC., Plaintiff-Appellant,**

**v.**

**AMERACE CORPORATION,  
Defendant-Appellee.**

**Nos. 89-1329, 89-1692.**

**United States Court of Appeals,  
Federal Circuit.**

**May 9, 1990.**

Competitor filed suit seeking declaration of invalidity and noninfringement of patents for "snowplowable" pavement markers. Patent holder filed counterclaim for infringement. The United States District Court for the District of Michigan, Robert E. DeMascio, J., entered judgment finding that patents were infringed and not invalid, and denied competitor's motion for recusal. Competitor appealed. The Court of Appeals, Markey, Chief Judge, held that: (1) patents were infringed by competitor's devices; (2) patents were not invalid on

basis of anticipation; (3) district court was not required to recuse itself after properly expressing frustration with competitor's counsel's conduct; and (4) appeal was frivolous, and thus patent holder would be awarded its attorney fees and double costs, for which competitor and its counsel would be jointly and severally liable.

**Affirmed; sanctions imposed.**

#### **1. Patents ⇨235(2)**

Competitor's pavement markers infringed patents for "snowplowable" pavement markers.

#### **2. Attorney and Client ⇨24**

##### **Federal Civil Procedure ⇨2747**

For purpose of determining whether sanctions should be assessed against competitor and its counsel, challenge on appeal to district court's finding that competitor's devices infringed patents for "snowplowable" pavement markers was frivolous, where competitor never denied infringement before district court ruled, presented no evidence in conflict with patent holder's evidence, raised no genuine issue of material fact before district court issued its order granting summary judgment, and pointed to no claim language that did not read on its devices. F.R.A.P. Rule 38, 28 U.S.C.A.

#### **3. Patents ⇨66(1.10)**

Patents for "snowplowable" pavement markers were not anticipated by disclosures in three patents considered by Patent and Trademark Office examiner.

#### **4. Attorney and Client ⇨24**

##### **Federal Civil Procedure ⇨2747**

For purpose of determining whether sanctions should be imposed against competitor and its attorney, arguments raised on appeal regarding invalidity of patent for "snowplowable" pavement markers were frivolous; competitor did not respond to authority cited by patent holder, and raised some invalidity issues for first time on appeal. F.R.A.P. Rule 38, 28 U.S.C.A.

#### **5. Federal Courts ⇨617**

Competitor's arguments on appeal that patents for "snowplowable" pavement

markers were invalid on basis that invention had been previously made in United States, or on basis of conjectural claim interpretation, were not inherent in anticipation defense presented to district court, and thus could not be considered on appeal. 35 U.S.C.A. § 102(a, b, g).

#### 6. Federal Courts ⇐617

Competitor could not argue on appeal that patents for "snowplowable" pavement markers were invalid due to obviousness-type double patenting; issue was raised in district court only in competitor's motion for summary judgment, and motion had been accompanied only by single affidavit, which district court had found deficient because affiant had analyzed only portions of claims and made no factual assertions of type mandated by United States Supreme Court case of *Graham v. John Deere Co.*

#### 7. Attorney and Client ⇐24

##### Federal Civil Procedure ⇐2747

For purpose of determining whether sanctions should be imposed upon competitor and its attorney, competitor's argument on appeal from district court's ruling that patents for "snowplowable" pavement markers were infringed and were not invalid, that district court erroneously excluded exhibit and British patent disclosing it, was frivolous, where competitor cited cases which were clearly distinguishable, failed to allege prejudice, failed to even allege that prior art was more pertinent than that considered by examiner and at trial, and failed to recognize district court's observations of differences between exhibit and claimed subject matter in suit. F.R.A.P. Rule 38, 28 U.S.C.A.

#### 8. Attorney and Client ⇐24

##### Federal Civil Procedure ⇐2747

For purpose of determining whether sanctions should be imposed against competitor and its counsel, arguments on appeal that competitor was improperly enjoined from both direct and indirect infringement of patents for "snowplowable" pavement markers, and that injunction improperly encompassed nonadjudicated claims, were frivolous. F.R.A.P. Rule 38, 28 U.S.C.A.

#### 9. Patents ⇐317

Competitor was properly enjoined from engaging in both direct and contributory infringement of patents for "snowplowable" pavement markers, where district court had ample evidence of both direct and indirect infringement. 35 U.S.C.A. § 271(a).

#### 10. Patents ⇐317

District court has power in patent infringement action to grant injunction in accordance with principles of equity to prevent violation of any rights secured by patent. 35 U.S.C.A. § 283.

#### 11. Patents ⇐317

Injunction issued against competitor to not infringe patents for "snowplowable" pavement markers properly encompassed both adjudicated and nonadjudicated claims, as infringement of nonadjudicated claim would also inherently infringe adjudicated claim.

#### 12. Attorney and Client ⇐24

##### Federal Civil Procedure ⇐2747

Competitor's argument on appeal that district court was biased in patent infringement action because district court had made extrajudicial contact with casting manufacturer was frivolous, for purpose of determining whether sanctions should be awarded against competitor and its counsel, where record did not show that district court made statement averred by competitor regarding contact with manufacturer, and district court carefully explained to competitor's counsel how infringement was found on all the evidence. F.R.A.P. Rule 38, 28 U.S.C.A.

#### 13. Judges ⇐49(2)

District court's proper expression of frustration with counsel's conduct did not constitute ground for recusal of district court on basis of bias.

#### 14. Attorney and Client ⇐24

##### Federal Civil Procedure ⇐2747

For purpose of determining whether sanctions should be imposed against competitor and its counsel on appeal from district court's finding of patent infringement, competitor's counsel's allegations of bias

on part of district court were not only frivolous, but were brazen, blatant, and boorish, where district court, in denying motion to recuse, patiently tried to teach counsel the rule that bias could not be shown by remarks concerning counsel's conduct, or by remarks concerning evidence or conduct that court observed during proceedings, but counsel still appealed on those bases. F.R.A.P. Rule 38, 28 U.S.C.A.

#### 15. Federal Civil Procedure ⇐2747

Competitor's appeal from district court's judgment that patents for "snowplowable" pavement markers were infringed and not invalid, and from district court's denial of competitor's motion for recusal, was frivolous, and thus patent holder would be awarded its attorney fees and double costs incurred on appeal, the payment for which competitor and its counsel would be jointly and severally liable. F.R.A.P. Rule 38, 28 U.S.C.A.

Owen E. Perry of Reising, Ethington, Barnard, Perry & Milton, Troy, Mich., argued for plaintiff-appellant. With him on the brief were Jeanne-Marie Buiteweg and Richard W. Hoffmann.

Ronald A. Sandler of Jones, Day, Reavis & Pogue, Chicago, Ill., argued for defendant-appellee. With him on the brief was Sandra B. Weiss. Of counsel were Charles Rutherford, Robert L. Kelly and Dykema Gossett, Detroit, Mich.

Before MARKEY, Chief Judge,  
BENNETT, Senior Circuit Judge, and  
PLAGER, Circuit Judge.

MARKEY, Chief Judge.

Pac-Tec, Inc. (Pac-Tec) appeals from a judgment of the United States District Court for the Eastern District of Michigan, No. 86CV73873DT (DeMascio, J.), that 13 claims of Amerace Corporation's (Amerace) patent 4,155,666 ('666) and 23 claims of Amerace's patent 4,195,945 ('945) were infringed and not invalid. Pac-Tec further appeals from an order denying its motion for recusal. Amerace seeks sanctions against Pac-Tec pursuant to Rule 38, Fed.

R.App.P. We affirm the judgment and order and impose a sanction on Pac-Tec and its counsel.

### I. BACKGROUND

#### A. *The Patents and Accused Devices*

Pavement markers mark road lanes and aid the direction of vehicular traffic. Those used in northern climes are subject to the impact of snowplow blades. The '666 and '945 patents are directed to "snowplowable" pavement markers. The markers have a "signal means," i.e., a reflector, carried and protected by a "base member," i.e., a one-piece metal casting, the reflector and casting adapted to being partially disposed below road level.

Claim 1 of the '666 patent is representative:

1. A low-profile pavement marker for use in snow areas for establishing on a finished roadway surface a marking visible from an oncoming vehicle while protecting the marking from damage by oncoming snowplow blades during snowplowing operations, said pavement marker comprising a base member defining two laterally spaced-apart ramp members each having a lower portion and an upper portion and an inclined surface extending between a lowermost end and an uppermost end to form an inclined ramp, the lower portion of said base member adapted to be recessed below the roadway surface with the upper portion of each said ramp member extending above the roadway surface, and signal means adapted to be disposed between and below said ramp members with a lower portion of the signal means disposed below the roadway surface and an upper portion of the signal means disposed above the roadway surface, so that an oncoming snowplow blade will ride up said ramp members and be deflected thereby from contact with said signal means as the snowplow blade passes over said pavement marker, said signal means, including at least a part of said lower portion thereof, being operative to reflect light incident upon said signal

means from an oncoming vehicle back toward said oncoming vehicle, said ramps being so configured and arranged to provide adequate space therebetween to allow vehicle tires to wipe the signal means, and whereby said signal means by being partially recessed in use below the level of the associated roadway surface minimizes the total height of said pavement marker above the roadway surface thereby to reduce the impact energy imparted to said pavement and to oncoming vehicles striking said marker.

Claim 1 of the '945 patent is representative:

1. A base member for use as a component of a low-profile pavement marker for use in snow areas for establishing on a finished roadway surface a marking visible from an oncoming vehicle while protecting the marking from damage by oncoming snowplow blades during snowplowing operations, said base member having first and second laterally spaced-apart longitudinally extending ramp members each having a lower portion and an upper portion and an inclined surface extending between a lowermost end and an uppermost end to form an inclined ramp, the lower portion of said base member defining a longitudinally extending keel portion adapted to be recessed below the roadway surface with the upper portion of each said ramp member extending above the roadway surface, and said base member further having a support member interconnecting said ramp members and providing a downwardly facing bottom surface adapted to be disposed in a complementary recess in the associated pavement and a generally upwardly facing support surface adapted to carry signal means thereon, the signal means thus adapted to be disposed between and below said ramp members with an upper portion of the signal means disposed above the roadway surface, so that an oncoming snowplow blade will ride up said ramp members and be deflected thereby from contact with said signal means as the snowplow blade passes over said pavement marker, said ramps being so configured

and arranged to provide adequate space therebetween to allow vehicle tires to wipe the signal means, and whereby said bottom surface by being recessed in use below the level of the associated roadway surface enables minimization of the total height of said base member above the roadway surface thereby to reduce the impact energy imparted to said base member and the pavement and to oncoming vehicles striking said base member.

Amerace manufactures and sells pavement markers. Pac-Tec obtained its casting from Amerace's casting supplier and began making its pavement markers. The district court described the Pac-Tec marker:

It has longitudinally extending ramp members with an inclined surface forming a ramp which is intended to extend above the roadway surface, while the lower portion is recessed below the roadway surface in such a way as to prevent jolting of snowplow blades. The ramps are arranged to provide adequate space for tires to wipe the signal means clear, yet are of such a height as to protect such signal from snowplow blades. A support member connects the ramp members, having an upper surface designed to carry a signal means, and a lower surface designed to be recessed below the roadway.

#### B. *The Proceedings*

Pac-Tec filed suit on September 15, 1986, seeking a declaration of invalidity and non-infringement of Amerace's patents. Amerace counterclaimed for infringement and moved for summary judgment on that issue. On March 3, 1988, the district court granted summary judgment that Pac-Tec infringed both patents.

Pac-Tec moved for summary judgment of invalidity on three grounds: (1) obviousness-type double patenting of the '666 and '945 patents with respect to each other and with respect to Amerace's patent 3,587,416 ('416); (2) lack of novelty over the '416 patent (35 U.S.C. § 102(a), (b)); and (3) indefiniteness (35 U.S.C. § 112). Amerace cross-moved for summary judgment.

ment on validity. The district court, on June 8, 1988, granted summary judgment to Amerace on issues (1) and (3) and denied summary judgment to both parties on issue (2).

After a trial on novelty in light of the '416 patent and United States Patent Nos. 2,260,498 (Wise) and 1,952,942 (Ross), the district court held that Pac-Tec had failed to establish lack of novelty and, on February 14, 1989, enjoined Pac-Tec from further infringement.<sup>1</sup> Sanctioning Pac-Tec's counsel under Rule 11, Fed.R.Civ.P., the district court noted that Pac-Tec improperly raised in post-trial proceedings an entirely new patent marking issue, ordered that scurrilous references to Amerace's attorney be stricken from Pac-Tec's post-trial pleadings, and, pursuant to 35 U.S.C. § 285, awarded Amerace its attorney fees in light of Pac-Tec's willful infringement and dilatory litigation tactics.

On March 13, 1989, Pac-Tec moved under 28 U.S.C. §§ 144, 455(a) for recusal of Judge DeMascio, citing certain remarks from the bench. On August 21, 1989, while its recusal motion was pending, Pac-Tec filed a "Petition for Writ of Mandamus" asking this court to vacate or modify the injunction. This court, because Pac-Tec's appeal from the judgment was already pending in this court, treated the petition as a motion for stay and denied it on October 30, 1989, stating that Pac-Tec: (1) raised issues not presented to the district court, (2) misstated the record, and (3) directed an unfounded attack on the remarks of the district court on which Pac-Tec based its pending recusal motion. We sanctioned Pac-Tec for its frivolous petition and awarded Amerace its attorney fees and double costs under Rule 38, Fed.

R.App.P. *In re Pac-Tec, Inc.*, Misc. No. 260 (Fed.Cir. October 30, 1989).

After Judge DeMascio denied Pac-Tec's recusal motion (but before this court had issued its October 30 order) Pac-Tec sought from the Court of Appeals for the Sixth Circuit a writ of mandamus directing Judge DeMascio to vacate his denial. On December 8, 1989, the Sixth Circuit denied the petition as frivolous and sanctioned Pac-Tec by awarding Amerace its attorney fees and double costs under Rule 38, Fed. R.App.P. *In re Pac-Tec, Inc.*, No. 89-2225 (6th Cir. December 8, 1989).

## II. OPINION

This signifies the end, we trust, of Pac-Tec's and its counsel's singularly sanctionable sojourn among the hallowed halls of justice. Throughout this litigation, the conduct of Pac-Tec and its counsel have fouled the judicial nest. Continued on this appeal is the pestiferous pestilence that led to a Rule 11 sanction, striking portions of Pac-Tec's post-trial pleading, imposition of attorney fees for willful infringement and dilatory litigation at the trial level, and imposition of sanctions by two appellate courts.

The appeal itself is frivolous, and its frivolity is unrelieved by even one of counsel's many arguments. Beyond frivolity, however, the conduct of counsel in this litigation infects the judicial process with a disabling disease of deceit that the courts must act to expunge, for if courts remain passive, that disease will spread until it destroys a judicial process and a legal profession no longer worth preserving.

Forgetting entirely the responsibility imposed on him as an officer of the court, Pac-Tec's counsel displays a deplorable

### 1. The injunction reads:

The defendant shall have injunctive relief permanently enjoining and restraining the plaintiff, its officers, agents, attorneys, servants, employees, and all those in active concert or participation with them who receive actual notice of such injunction by personal service or otherwise, from directly and indirectly making, using or selling, or causing to be made, used or sold, any pavement markers and pavement marker base members like or similar in structure to the pavement markers

and pavement marker base members identified in this action as exhibits 9, 10, and 11 and any other pavement markers and pavement marker base members covered by the claims of said letters patent nos. 4,155,666 and 4,195,945, during the respective terms of said patents and from offering or advertising so to do and from aiding or abetting or in any way contributing to the infringement of any of said claims or in any way violating the rights of defendant under said patents.

depth of disrespect for the judicial process and a lamentable lack of candor in misstating the record and in disregarding the rules of procedure and the decided cases. His approach on this appeal is to fire a shotgun loaded with nothing but spurious arguments on infringement, invalidity, evidence exclusion, injunction scope, and judicial bias, none of which rises to the level of an argument even remotely based in fact or law. Eschewing the discomfort generated by extended discussion of counsel's baseless arguments and attempts to retry his case on appeal, we describe them only so far as necessary to explicate the bases for the foregoing characterization.<sup>2</sup>

### *Infringement*

[1, 2] Having never denied infringement before the district court ruled, having presented no evidence in conflict with Amerace's, and having raised no genuine issue of material fact before the district court issued its order granting summary judgment on the infringement issue, Pac-Tec brazenly burdens Amerace and this court with four pages of meritless argument in which it points to *no* claim language that does not read on its accused markers. Further, Pac-Tec attacks Amerace's proof, falsely stating that it consisted of a single affidavit and ignoring the deposition testimony of its own officers and owners, the deposition testimony of an inventor and an attorney, and over 30 exhibits. Pac-Tec then improperly attempts to create an issue of fact out of *post-judgment* testimony which it nonsensically *doctors* and *distorts*. Finally, though all of this was pointed out in Amerace's brief and is clear in the record, Pac-Tec included a segment on infringement in a reply brief in which it again simply ignored the record.

The challenge to the infringement finding in this appeal is frivolous.

2. It would unduly lengthen this opinion if we were to discuss all the statements in Pac-Tec's briefs which mischaracterize the record.
3. Pac-Tec's effort, mid-trial, to inject another new issue, i.e., patent marking, was also rejected by the district court. Incredibly, Pac-Tec argues that issue in its brief before us. Though

### *Invalidity*

[3, 4] Pac-Tec's primary attack on validity is based on the assertion that Amerace's claimed inventions are anticipated by the disclosures in three patents considered by the Patent and Trademark Office examiner. The assertion rests on Pac-Tec's improper redrafting of the claims by deleting the preamble and all limitations that include "adapted to", "whereby", and "thereby" so that the claims are reduced to mere collections of parts. Pac-Tec totally disregards the district court's careful consideration, after a full trial on the § 102(a) and (b) issues, of the claims as wholes. In so doing, the court found that the language excised by Pac-Tec constituted structural limitations, citing as authority *In re Venezia*, 530 F.2d 956, 189 USPQ 149 (CCPA 1976). In its brief here, Amerace cited seven additional authorities for the proposition that functional language, in cases like the present, cannot be disregarded. Although Pac-Tec cited 48 cases in its main brief and 15 cases in its reply brief, it nowhere responds to any of the authorities cited by Amerace on the point and did not list *Venezia* in the Table of Authorities accompanying its Reply Brief.

[5] In the face of this court's repeated condemnation of the practice of raising issues for the first time on appeal, and after a trial limited to its defenses under § 102(a) and (b), Pac-Tec blatantly argues a defense under § 102(g) and asserts a conjectural claim interpretation, neither of which were presented to the district court. Pac-Tec attempts to excuse that improper conduct with the ridiculous assertion in its reply brief that the issue is "inherent in the anticipation defense." Pac-Tec's infraction of the rule is rendered even more unforgivable in light of the district court's rejection of its effort to inject a new § 102(f) issue at trial.<sup>3</sup>

the issue was improperly raised, the district court went on to point out, and the record clearly establishes, that there was an absolute absence of evidence that Amerace intended to deceive the public or that Pac-Tec relied upon or was confused by Amerace's patent marking.

[6] Pac-Tec improperly argues obviousness-type double patenting as though that issue had been tried, whereas it was raised only in Pac-Tec's motion for summary judgment. That motion was accompanied by a single affidavit, which the district court found deficient because the affiant had analyzed only portions of the claims and had made no factual assertions of the type mandated by *Graham v. John Deere Co.*, 383 U.S. 1, 17, 86 S.Ct. 684, 693, 15 L.Ed.2d 545, 556, 148 USPQ 459, 474 (1966). Pac-Tec nowhere cites the record presented to the district court on its summary judgment motion. Nowhere does Pac-Tec recognize that its affiant recanted much of his affidavit or that the examiner had fully dealt with the question of double patenting.

Pac-Tec's invalidity arguments are frivolous.

#### *Evidence Exclusion*

[7] Pac-Tec argues that it was error to exclude an exhibit and a British patent disclosing it. Pac-Tec says, *falsely*, that it was excluded only because of failure to include it in the 35 U.S.C. § 282 notice and pre-trial order. The truth is that the exclusion was clearly based on Pac-Tec's failure to exercise diligence. Pac-Tec cites cases clearly distinguishable, fails even to allege prejudice, fails even to allege that this prior art is more pertinent than that considered by the examiner and at trial, and fails to recognize the district court's observations of the differences between the exhibit and the claimed subject matter in suit. The argument is frivolous.

#### *Injunction Scope*

[8-10] Pac-Tec argues that it should be enjoined only against direct infringement under 35 U.S.C. § 271(a), i.e., only against making the accused device, and left free to engage in contributory infringement. The district court, however, had ample evidence before it of direct and indirect infringement. Moreover, the district court has power to grant an injunction in accordance

Pac-Tec's assertion of the issue on this appeal is

with the principles of equity to prevent the violation of any rights secured by patent. 35 U.S.C. § 283. The grant of an injunction is reviewed on an abuse of discretion standard. *Windsurfing Int'l, Inc. v. AMF, Inc.*, 782 F.2d 995, 1002, 228 USPQ 562, 567 (Fed.Cir.), *cert. denied*, 477 U.S. 905, 106 S.Ct. 3275, 91 L.Ed.2d 565 (1986). Pac-Tec nowhere mentions that standard and makes no showing whatever of such abuse.

[11] Pac-Tec also argues that the injunction encompasses unadjudicated claims. Again, Pac-Tec ignores the rules. Though it filed a Motion to Amend the Judgment, it never presented this argument to the district court, yet it asks this court to find the district court in error for not considering what it never presented. Further, if it had argued the question, it could not have prevailed, for as Pac-Tec admitted in one of its petitions for mandamus, "any device that infringes a non-adjudicated claim will inherently also infringe an adjudicated claim."

The arguments respecting the injunction's scope are frivolous.

#### *Bias*

Difficult as it may seem, Pac-Tec manages to exceed the egregiousness described above in alleging bias of the trial judge. In the annals of frivolity the allegation of bias on this appeal would win a prized place. Of all the charges that might be leveled against one sworn to "administer justice" and to "faithfully and impartially discharge and perform all the duties incumbent upon me," 28 U.S.C. § 453, a charge of bias must be deemed at or near the very top in seriousness, for bias kills the very soul of judging—fairness. Obviously no such charge should be made lightly and without a solid basis in fact and law. Sadly, Pac-Tec and its counsel have in this litigation made the charge four times, each time with no basis whatever in either fact or law, the last three times after Pac-Tec and its counsel had been clearly shown the absolute falseness of the charge and the legal im-

frivolous.



propriety of lodging it.<sup>4</sup>

[12] Pac-Tec says in its brief that the district court was biased because "he made an extrajudicial contact with a casting manufacturer, had a casting sent to him." At oral argument, Pac-Tec's counsel quoted the district court as having said "I called up a casting manufacturer, had them send me a casting" and "I contacted the casting manufacturer and had him send me a casting." As the record shows, the district court never said what Pac-Tec says it said. Pac-Tec's misquote is reprehensible.

Pac-Tec has never identified the source of the casting, and for good reason. As Pac-Tec and its counsel were reminded in the district court's denial of the recusal motion, the district court got the casting during the pre-trial stage *from Pac-Tec's counsel*. In its brief here, Amerace again reminded counsel that *he*, Pac-Tec's counsel, was the source of the casting.

In what demonstrates a shockingly shabby performance of a counsel's appellate role (wherein counsel is expected to know intimately the record), the following colloquy occurred at oral argument (emphasis added):

The court: Are you going to say anything about whether or not *you* gave the casting to Judge DeMascio?

Counsel for Pac-Tec: Sir, to Judge DeMascio, Your Honor, I ...

The court: Did *you* give him the casting?

Counsel for Pac-Tec: I believe I ... Yes, I gave him a casting. I did, Your Honor. Yes. I gave him a casting. I gave him a casting, and I rely on the words ... *I don't know the exact words* here in front of me, but Judge DeMascio said "I contacted the casting manufacturer and had him send me a casting." I don't think it makes any difference whether I gave him one. *If* he got one from the casting manufacturer I think that was improper. I

believe that was improper. And I, I think it violates the recusal statute for him to have, to have, *if* he did exactly what he said in there, *if* he contacted the casting manufacturer, had him send me a cop ..., send him the casting ...

The court: Wait a minute, wait a minute, Counsel.

Counsel for Pac-Tec: Yes sir.

The court: You said *if* he did that.

Counsel for Pac-Tec: He *did say* that, Your Honor.

The court: Did you give us a record reference in your brief?

Counsel for Pac-Tec: Yes sir, yes, Your Honor, it's in the brief. It's in the appendix, and I don't know if I can exactly, uh, it's in the appendix, and I gave you a record reference. Yes, Your Honor.<sup>5</sup>

The court: (to counsel for Amerace) You said the Judge didn't say that.

Counsel for Amerace: He did not say, "I contacted the casting manufacturer." What he, that's what he interprets the judge to have said, and that's what Judge DeMascio in his denying of the recusal motion said: "He's misinterpreting it." There was not the words "I contacted a casting manufacturer", what the judge said is "both castings were made by the same manufacturer," which they were, he had evidence of that in the case, and then what he said was essentially, "I asked for a casting." Which he did. He got one from Mr. Perry. He didn't say "I contacted the manufacturer for the casting," and that's what Judge DeMascio says in his own decision denying recusal.

The court: (to counsel for Pac-Tec) Do you think Judge DeMascio was mis-

cult, as explained in the text, is that the motion was baseless.

4. Pac-Tec did file a motion to recuse, citing 28 U.S.C. §§ 144, 455, thus providing a basis for appealing the order denying the motion, as distinguished from merely asserting bias for the first time on appeal. Though Pac-Tec followed correct procedure in this one instance, its diffi-

5. The words quoted by Pac-Tec's counsel appear nowhere in the 19-page "record reference" mentioned by him, and nowhere in the entire record.

stating when he denied the motion for recusal? Misstating the record?

Counsel for Pac-Tec: Your Honor, uh, I think . . . Judge DeMascio said on the record, and that's in here, either "I contacted him myself" or "had my court clerk contact the casting manufacturer and send me a casting." Then when he denied the motion to recuse, he said "that isn't what I said" or "that isn't what I meant." *I don't know.* I don't think, I don't think Judge DeMascio would lie. I'm not suggesting that. I'm not, uh, I think that the, the comments he made along with other criticisms of me, he made a, an attack on my credibility at that time. I think that violates the recusal statute. I'm sorry. I cannot, you know, I don't, I'm not comfortable attacking a, being put in a position, I put myself in it by raising the recusal issue. *I have an obligation to my client.*<sup>6</sup> And I believe, I honestly believe the recusal statute was violated. I believe Judge DeMascio improperly denied my motion to recuse.

Pac-Tec asserts, with no support, that the district court used the casting in determining infringement. Though it need not have done so, the district court carefully explained to Pac-Tec's counsel how infringement was found on all the evidence. Counsel's assertion, in light of that explanation, is frivolous.

[13, 14] A second basis for Pac-Tec's charge was the district court's expression of dissatisfaction with counsel's failure to appear at a hearing on a motion to quash a subpoena. The district court, in denying the motion to recuse, patiently tried to teach the law to counsel, citing *United States v. Grinnell Corp.*, 384 U.S. 563, 86 S.Ct. 1698, 16 L.Ed.2d 778 (1966); *Price Bros. Co. v. Philadelphia Gear Corp.*, 649 F.2d 416 (6th Cir.), *cert. denied*, 454 U.S. 1099, 102 S.Ct. 674, 70 L.Ed.2d 641 (1981); *EEOC v. Mercy Hosp. and Medical Center*, 709 F.2d 1195 (7th Cir.1983); *In re*

*Cooper*, 821 F.2d 833 (1st Cir.1987); *In re Beard*, 811 F.2d 818 (4th Cir.1987); *In re Yagman*, 796 F.2d 1165 (9th Cir.1986); *Davis v. Board of School Comm'rs*, 517 F.2d 1044 (5th Cir.1975), *cert. denied*, 425 U.S. 944, 96 S.Ct. 1685, 48 L.Ed.2d 188 (1976); *Johnson v. Trueblood*, 629 F.2d 287 (3d Cir.1980), *cert. denied*, 450 U.S. 999, 101 S.Ct. 1704, 68 L.Ed.2d 200 (1981), for the rule that bias cannot be shown by remarks concerning the evidence or conduct that the court observed during the proceedings, and the rule that remarks concerning counsel's conduct cannot evidence bias against a *party*. Counsel should not have had to be told all that. Research for less than an hour would have revealed it. Yet, having been shown, counsel egregiously flouts the law in presenting his argument to this court that bias was shown by the court's proper expression of frustration with counsel's conduct.

Counsel's allegations of bias are an outrageous fabrication made of whole cloth. As the record unequivocally establishes, that fact was necessarily known to counsel when he filed this appeal. The assertions of bias are not only frivolous; they are brazen, blatant, and boorish.

### Sanction

[15] We have said the purpose of Rule 38 is not only to compensate a winner at trial for expense and delay in defending a meritless appeal but to deter frivolous appeals and thus preserve the appellate calendar for cases worthy of consideration. *Sun-Tek Indus. v. Kennedy Sky-Lites, Inc.*, 865 F.2d 1254, 1255, 9 USPQ2d 1574, 1575 (Fed.Cir.1989). This utterly meritless appeal imposed totally unnecessary costs not only on Amerace but on the public whose taxes support this court and its staff. *See Porter v. Farmers Supply Serv.*, 790 F.2d 882, 229 USPQ 814, 817 (Fed.Cir.1986). Accordingly, we award to Amerace its attorney fees and double costs incurred on this appeal, for the payment of which Pac-Tec's counsel, Owen E. Perry, is

6. Counsel's obligation to his client, as well as to the court, is to know the record and present it accurately. Clients have a fundamental interest

in the fair and truthful administration of justice that far exceeds their monetary interest in a particular case.

liable jointly and severally with Pac-Tec, which stood to benefit if counsel's deplorable tactics had succeeded. Rule 38, Fed.R.App.P.

AFFIRMED—SANCTIONS IMPOSED.



**ELTECH SYSTEMS CORPORATION**  
and Oxytech Systems, Inc.,  
Plaintiffs-Appellants,

v.

**PPG INDUSTRIES, INC.,**  
Defendant-Appellee.

No. 89-1681.

United States Court of Appeals,  
Federal Circuit.

May 10, 1990.

Patentee appealed from judgment entered in the United States District Court for the Western District of Louisiana, Earl E. Veron, J., 710 F.Supp. 622, finding no infringement and awarding attorney fees to alleged infringer. The Court of Appeals, Markey, Chief Judge, held that: (1) evidence supported both claim interpretation and finding of noninfringement, and (2) evidence supported finding that suit was brought in bad faith and thus that case was exceptional one in which award of attorney fees was appropriate.

Affirmed.

#### 1. Patents ⇨312(6)

In context of patent directed to methods for preparing dimensionally stable asbestos diaphragms used in chlor-alkali cells in which chlorine and sodium hydroxide were produced by electrolysis of salt solution, evidence supported interpretation of "melt" of diaphragm polymer as meaning change in phase from solid to liquid form that allowed polymer particles to flow out

to discontinuously coat adjacent asbestos fibers with fused polymer layer.

#### 2. Patents ⇨312(5)

Holder of patent directed to methods for preparing dimensionally stable asbestos diaphragms used in chlor-alkali cells in which chlorine and sodium hydroxide were produced by electrolysis of salt solution failed to establish infringement of claim involving method of preparing diaphragm and limited to "melt" of polymer; alleged infringer established that its low-bake method involved heating diaphragms to point almost 40 degrees below polymer's published melting point.

#### 3. Patents ⇨325.11(1)

Trial court's single use of phrase "should know [the suit] is baseless" in finding unsuccessful patent infringement suit to be exceptional case in which award of attorney fees to alleged infringer was warranted did not mean that trial court erroneously applied simple negligence standard; court also referred to suit patentee "knows" to be baseless, and evidence before trial court persuaded it that patentee knew suit was baseless. 35 U.S.C.A. § 285.

#### 4. Patents ⇨325.11(4)

Evidence established that patentee brought infringement suit in bad faith and thus that case was exceptional one in which award of attorney fees to alleged infringer was appropriate; in addition to fact that patentee failed to perform tests suggested by alleged infringer, its own tests did not establish infringement, and its own expert performed no tests in concluding that infringement had taken place. 35 U.S.C.A. § 285.

#### 5. Patents ⇨325.11(3, 4)

There is no difference in standards applicable to patentees and infringers who engage in bad-faith litigation for purposes of patent statute authorizing attorney fees in exceptional cases. 35 U.S.C.A. § 285.

#### 6. Patents ⇨325.11(4)

Where patentee is manifestly unreasonable in assessing infringement, while continuing to assert infringement in court,